

**LEGISLATIVE SERVICES AGENCY
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

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FISCAL IMPACT STATEMENT

LS 6934

BILL NUMBER: HB 1648

NOTE PREPARED: Dec 21, 2004

BILL AMENDED:

SUBJECT: Annexation of Noncontiguous Land.

FIRST AUTHOR: Rep. Walorski

FIRST SPONSOR:

BILL STATUS: As Introduced

FUNDS AFFECTED: **GENERAL**
 DEDICATED
 FEDERAL

IMPACT: Local

Summary of Legislation: This bill allows a municipality in Elkhart County to annex territory that: (1) is not contiguous to the municipality; (2) has its entire area not more than two miles from the municipality's boundary; (3) is to be used for an industrial park containing one or more businesses; and (4) is either owned by the municipality or by a property owner who consents to the annexation.

Effective Date: July 1, 2005.

Explanation of State Expenditures:

Explanation of State Revenues:

Explanation of Local Expenditures: When territory is annexed, services need to be extended to that territory. The extension of services to this new territory would create additional expenditures for the municipality. If an ordinance for annexation does not take place or is defeated, then the municipality would not have to make these expenditures.

Explanation of Local Revenues: The annexation of property broadens the property tax base, which tax rates are based on. If the legislative body of a municipality, under the population constraints provided in the bill, passes an ordinance to annex territory, the existing taxpayers in the municipality could see some rate reduction and the annexed taxpayers could see a rate increase.

The provisions in this bill already apply to the municipalities located in the following counties: Bartholomew,

Cass, Floyd, Grant, Huntington, Jasper, Marshall, Starke, and St. Joseph.

State Agencies Affected:

Local Agencies Affected: Municipalities located in Elkhart County.

Information Sources:

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